

Indo Cotspin Limited



18th

*Annual
Report*

2011 - 2012

18th Annual Report 2011-12

Indo Cotspin Limited

BOARD OF DIRECTORS

CHAIRMAN CUM MANAGING DIRECTOR

Sh. Bal Kishan Aggarwal

WHOLE TIME DIRECTOR

Sh. Raj Pal Aggarwal

Sh. Sahil Aggarwal

Sh. Arpan Aggarwal

Sh. Sanil Aggarwal

DIRECTOR

Sh. Ankush Aggarwal

Sh. Anil Aggarwal

Sh. Vinod Kumar Garg

Sh. Pawas Aggarwal

Mrs. Saroj Garg

AUDITORS

M/s Anil Aviral & Co.

Chartered Accountants

REGISTERED OFFICE & WORKS

Delhi Mile Stone, 78 K.M., G.T. Road, NH-1, Village Jhattipur,

Post Box-3, Post Office Samalkha,

Distt. Panipat-132103

Haryana (INDIA)

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INDO COTSPIN LIMITED

Regd. Office: Delhi Mile Stone 78 K.M, G.T. Road, NH-1
Village Jhattipur, Post Box-3, Post Office, Samalkha, Panipat-132103(Haryana)

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of the Company will be held on Saturday, 29th September, 2012 at 11:30 A.M. at the Registered Office at Delhi Mile Stone 78 K.M, G.T. Road, NH-1, Village Jhattipur. Post Box-3, Post Office, Samalkha, Panipat-132103(Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Arpan Aggarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Sahil Aggarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

The present Statutory Auditors M/s Anil Aviral & Co., Chartered Accountants, Panipat, are holding the office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**
“Resolved that Mr Pawas Aggarwal, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**
“Resolved that Mrs Saroj Garg, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**
“Resolved that Mr Vinod Kumar Garg, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**
“Resolved That pursuant to the provisions of sections 198, 269, 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, Mr Bal Kishan Aggarwal be and is hereby re-appointed as the Managing Director of the Company for a period of 3 years with effect from 1st October, 2012 till 30th September, 2015 at a monthly remuneration of Rs. 22,000/- (Rupees Twenty Two Thousand only), whether paid as Salary, allowance(s), perquisites or a combination thereof. **Resolved Further That** Mr Bal Kishan Aggarwal as Managing Director of the Company shall also be paid the following statutory perquisites as per Company's policy:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure

Resolved Further That Mr Bal Kishan Aggarwal as Managing Director of the Company shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof.

Resolved Further That in case of inadequate or absence of profits during any financial year of the tenure of the Managing Director; the aforesaid remuneration will be the Minimum Remuneration.

Resolved Further That the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorized to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved Further That the office of Mr Bal Kishan Aggarwal as Managing Director of the Company shall not be liable for determination through retirement by rotation.

Resolved Further That the Board of Directors be and is hereby authorized to do all such acts, deeds and things and to take such other steps as may be necessary in this regard."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved That pursuant to the provisions of sections 198, 269, 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, Mr Raj Pal Aggarwal be and is hereby re-appointed as a following statutory perquisites as per Company's policy:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure

Resolved Further That Mr Raj Pal Aggarwal as Whole Time Director of the Company shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof.

Resolved Further That in case of inadequate or absence of profits during any financial year of the tenure of the Whole Time Director; the aforesaid remuneration will be the Minimum Remuneration.

Resolved Further That the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorized to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved Further That the office of Mr Raj Pal Aggarwal as Whole Time Director of the Company shall be liable for determination through retirement by rotation.

Resolved Further That the Board of Directors be and is hereby authorized to do all such acts, deeds and things and to take such other steps as may be necessary in this regard."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“Resolved That pursuant to the provisions of sections 198, 269, 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, Mr Sahil Aggarwal be and is hereby re-appointed as a Whole Time Director of the Company for a period of 3 years with effect from 1st October, 2012 till 30th September, 2015 at a monthly remuneration of Rs. 22,000/- (Rupees Twenty Two Thousand only), whether paid as Salary, allowance(s), perquisites or a combination thereof.

Resolved Further That Mr Sahil Aggarwal as Whole Time Director of the Company shall also be paid the following statutory perquisites as per Company’s policy:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service; and
- c. Encashment of leave at the end of tenure

Resolved Further That Mr Sahil Aggarwal as Whole Time Director of the Company shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof.

Resolved Further That in case of inadequate or absence of profits during any financial year of the tenure of the Whole Time Director; the aforesaid remuneration will be the Minimum Remuneration.

Resolved Further That the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorized to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved Further That the office of Mr Sahil Aggarwal as Whole Time Director of the Company shall be liable for determination through retirement by rotation.

Resolved Further That the Board of Directors be and is hereby authorized to do all such acts, deeds and things and to take such other steps as may be necessary in this regard.”

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“Resolved That pursuant to the provisions of sections 198, 269, 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, Mr Arpan Aggarwal be and is hereby re-appointed as a Whole Time Director of the Company for a period of 3 years with effect from 1st October, 2012 till 30th September, 2015 at a monthly remuneration of Rs. 22,000/- (Rupees Twenty Two Thousand only), whether paid as Salary, allowance(s), perquisites or a combination thereof.

Resolved Further That Mr Arpan Aggarwal as Whole Time Director of the Company shall also be paid the following statutory perquisites as per Company’s policy:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service; and
- c. Encashment of leave at the end of tenure

Resolved Further That Mr Arpan Aggarwal as Whole Time Director of the Company shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof.

Resolved Further That in case of inadequate or absence of profits during any financial year of the tenure of the Whole Time Director; the aforesaid remuneration will be the Minimum Remuneration.

Resolved Further That the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorized to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved Further That the office of Mr Sahil Aggarwal as Whole Time Director of the Company shall be liable for determination through retirement by rotation.

Resolved Further That the Board of Directors be and is hereby authorized to do all such acts, deeds and things and to take such other steps as may be necessary in this regard.”

For and on Behalf of the Board
For **Indo Cotspin Limited**

Bal Kishan Aggarwal
Chairman & Managing Director
DIN: 00456219

Date: 25th August, 2012
Place: Panipat

NOTES:

- A. Appointment of proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The proxy form in order to be effective must be deposited with the company not less than 48 hours before the time fixed for commencement of the meeting.
- B. Corporate Members:** Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. Members/Proxies attending the meeting** are requested to bring their copy of Annual Report to the Meeting.
- D. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 28th September 2012 to Saturday, 29th September 2012 (both days inclusive) for the purpose of the AGM.
- F. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- G. Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 5 to 11 are enclosed herewith.
- H.** The information required to be provided under the Listing Agreement regarding the Directors proposed to be reappointed is given in the annexure to the Director's Report.
- I.** Additional information in terms of clause 49 of the listing agreement in respect of directors being proposed for re-appointment is enclosed herewith.

ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

Name/ Particulars	Mr Bal Kishan Aggarwal	Mr Raj pal Aggarwal	Mr Sahil Aggarwal	Mr Arpan Aggarwal
DIN	00456219	00456189	00456260	00456309
Father's Name	Shri Ram Aggarwal	Shri Ram Aggarwal	Mr Raj Pal Aggarwal	Mr Bal Kishan Aggarwal
Date of Birth	03/11/1962	10/09/1965	17/10/1987	20/06/1987
Designation	Managing Director	Whole Time Director	Whole Time Director	Whole Time Director
Education	Graduate	Graduate	Graduate	Graduate
Experience	25Years	21Years	6Years	6Years
Other Companies in which holds Directorship	Indo Nonwoven P Ltd.	Indo Nonwoven P Ltd.	Nil	Nil
Other Companies in which holds membership of committees	Nil	Nil	Nil	Nil
Shareholding in the Company (No. & %)	495100(11.79%)	488900(11.64%)	121900(2.90%)	124500(2.96%)

Name/ Particulars	Mr Pawas Aggarwal	Mr Vinod Kumar Garg	Mrs Saroj Garg	
DIN	00456416	01112355	01052300	
Father's Name	Mr Vinod Aggarwal	Mr Girish Pal Garg	Mr Dhani ram	
Date of Birth	01/07/1982	17/08/1955	22/02/1959	
Designation	Director	Director	Director	
Education	P-Graduate	L.L.B	Graduate	
Experience	8Years	30Years	5Years	
Other Companies in which holds Directorship	Nil	Vinod Kumar Garg Marketing P Ltd. Shri Ganpati Woollens P Ltd. Vijay Sons P Ltd	Vinod Kumar Garg Marketing P Ltd. Shri Ganpati Woollens P Ltd.	
Other Companies in which holds membership of committees	Nil	Nil	Nil	
Shareholding in the Company (No. & %)	1000(0.02%)	1000(0.02%)	1000(0.02%)	

Note: Mr Bal Kishan Aggarwal and Mr Raj Pal Aggarwal are brothers. Mr Arpan Aggarwal is son of Mr Bal Kishan Aggarwal. Mr Sanil Aggarwal and Mr Sahil Aggarwal are sons of Mr Raj Pal Aggarwal.

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Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956**Item No. 5 to 7**

Mr Pawas Aggarwal, Mr Vinod Kumar Garg and Mrs Saroj Garg were appointed as Additional Directors of the Company in the Board meeting held on 1st June, 2012, and 20th March, 2012 respectively, to hold office until the date of ensuing annual general meeting.

The Board is proposing to appoint them as Directors in the ensuing Annual General Meeting of the Company. Accordingly, the resolution is placed before the members for their consideration and approval. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

The Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr Pawas Aggarwal, Mr Vinod Kumar Garg and Mrs Saroj Garg for the office of Directors of the Company.

Mrs. Saroj Garg and Mr Vinod Kumar Garg should be deemed to be concerned and interest for resolutions at Item No. 6 & 7. Mr Pawas Aggarwal should be deemed to be concerned and interested for resolution at Item No. 5. Apart for this none of the directors is interested and concerned at Item nos. 5, 6 & 7 of the notice.

Item No. 8 to 11

Mr Bal Kishan Aggarwal is the Managing Director and one of core promoters of the Company. Similarly, Mr Raj Pal Aggarwal, Mr Sahil Aggarwal and Mr Arpan Aggarwal are Whole Time Directors of the Company. All these persons are instrumental to the growth of the Company. It is proposed to re-appoint Mr Bal Kishan Aggarwal as the Managing Director and Mr Raj Pal Aggarwal, Mr Sahil Aggarwal & Mr Arpan Aggarwal as the Whole Time Directors of the Company and make payment of remuneration under Clause – 1(A) of Section – II, Part – II of the Schedule XIII of the Companies Act, 1956.

The aforesaid explanatory statement read with the resolution proposed for item no. 8 to 11 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Bal Kishan Aggarwal, Mr Raj Pal Aggarwal, Mr Sahil Aggarwal & Mr Arpan Aggarwal under section 302 of the Companies Act 1956.

The members' approval is required by way of Ordinary Resolution for appointment of and payment of remuneration to the aforesaid appointee as the Managing/ Whole Time Directors of the Company. The proposal for re-appointment and payment of remuneration has already been considered by the Board of Directors and Remuneration Committee.

Your directors recommend the adoption of resolution in the larger interest of the Company.

None of the Directors except Mr Bal Kishan Aggarwal, Mr Raj Pal Aggarwal, Mr Sahil Aggarwal, Mr Arpan Aggarwal and Mr Sanil Aggarwal are interested and concerned in the proposed resolutions.

For and on Behalf of the Board

For **Indo Cotspin Limited**

Bal Kishan Aggarwal

Chairman & Managing Director

DIN: 00456219

Date: 25th August, 2012

Place: Panipat

INDO COTSPIN LIMITED

Regd. Office: Delhi Mile Stone 78 K.M, G.T. Road, NH-1
Village Jhattipur, Post Box-3, Post Office, Samalkha, Panipat-132103(Haryana)

DIRECTORS' REPORT**Dear Members**

Your Directors have pleasure in presenting the 18th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2012.

Financial Highlights

Particulars	Amount (Rs. in lacs)	
	FY 2011-12	FY 2010-11
Net Sales	566.31	471.02
Other Income	0.37	0.80
Total Revenue	566.68	471.82
Total Expenditure	555.84	470.05
Profit before tax	10.84	1.77
Provision for tax	2.12	0.25
Deferred Tax	1.86	2.37
Profit after tax	6.87	(0.84)
Transfer to Reserve	Nil	Nil
Paid-up Share Capital	320.15	320.15
Reserves and Surplus (excluding revaluation reserve)	(97.48)	(103.80)

Year in Retrospect

During the year under review, total income of the Company was Rs. 566.31 lacs as against Rs. 471.02 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 6.87 lacs in the financial year 2011-12 as against a loss of Rs. 0.84 lacs in the financial year 2010-11. Your Directors are putting in their best efforts to improve the performance of the Company.

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

Material Changes after the close of the financial year

After the close of the financial year, the Company has reissued 9,99,000 equity shares on 26th July, 2012 at an issue price of Rs. 15/- per share. These shares were earlier forfeited due to non payment of the call money.

Save as mentioned else where in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company-31st March, 2012.

Dividend

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.